

[illegible]

Excerpt of USPIS Summary Report – 03/26/2008, 04/01/2008, 04/11/2008, 04/23/2008, 5/08/2008 and 06/30/2008; Note: Redactions were done by the government using black maker; Additional redactions done by the defense using white squares with black borders; (Item No. 1 of September 8, 2010 discovery set).

**ENCLOSURE NO. 1 TO RESPONSE DATED SEPTEMBER 8, 2010**

**SUMMARY REPORT PREPARED BY  
USPIS POSTAL INSPECTOR JAMES L. WILSON  
(9 PAGES)**



United States Postal Inspection Service  
Restricted Information

Print Date: 02/20/09  
Print Time: 17:10.26

Investigation Details Report  
Case Number: 1672940-IT

Page 2 of 9

Requestor: USPISJLWilson

Not Relevant

Event ID: 5560190

FY: 2008

Credited Inspector: USPISJLWilson

Nick Name: FY2008

Entered By : USPISJLWilson

Entered Date: 03/26/2008



United States Postal Inspection Service  
Restricted Information

Print Date: 02/20/09  
Print Time: 17:10:26

Investigation Details Report  
Case Number: 1672940-IT

Page 3 of 9

Requestor: USPISJLWilson

On 1/22/08, I received a call from Agent Medrano. Agent Medrano stated that she received a call from the Arizona Attorney General's Office. According to Agent Medrano, The AG's Office has a case involving a defendant committing fraud and ID theft. During the course of the investigation, the AG's Office contacted [redacted] with Compass Bank. Compass Bank [redacted] When [redacted] began listening to the defendant's scheme to defraud, he advised the AG's Office to contact Agent Medrano because she had a case involving a similar scheme (a Compass bank was opened in our case with similar circumstances).

The AG's Office informed Agent Medrano that [redacted] was opening up various accounts at banks, ordering pre-paid debit cards in victims' names and having money sent to the accounts so he could charge the pre-paid debit cards. At that time, I notified AUSA Battista about the matter. AUSA Battista notified the AG's Office about our current investigation. With the cooperation of the AG's Office, we were able to interview [redacted] at the US Attorney's Office. Also present was [redacted] On 1/24/08, AUSA Battista, Agent Medrano and I met with [redacted] at the US Attorney's Office.

Attorney [redacted] stated that approximately 3 years ago, a friend of his introduced him to a website, [redacted]. This website provides people with information about obtaining credit card skimmers, scanners to capture credit card numbers, etc. [redacted] stated that his friend was Ransom Carter. [redacted] said that he and Ransom Carter purchased the equipment, cloned peoples' credit cards and began stealing peoples' information.

[redacted] stated that when he purchased the equipment through [redacted] he became acquainted with [redacted] would call [redacted] to see if he was satisfied with his purchases from the [redacted]. It should be noted that [redacted] has never met [redacted] and [redacted] knows him as [redacted]. Over the last 4 years, [redacted] and [redacted] have continued to do fraudulent schemes together. [redacted] stated that [redacted] informed him that he deals with a "hacker" who can hack into various systems and steal information, it was at this point [redacted] mentioned doing fraudulent tax returns. [redacted] stated that he and Ransom Carter set up "Carter Tax Company."

According to [redacted] the pre-paid debit cards I retrieved from [redacted] CMRA box, were a result of a scheme [redacted] and Carter were working on. [redacted] said it was not uncommon for either one of them doing their own scheme with [redacted]. I asked [redacted] Ransom Carter's role in this crime. [redacted] stated that Ransom Carter is low level (joke wolf) player who worked under [redacted] [redacted] advised that Carter had ripped [redacted] off by not giving [redacted] his cut of a deal. [redacted] will not work with Ransom Carter. [redacted] further stated that he has not talked to Ransom Carter in over a year and thinks he is living somewhere in Las Vegas. [redacted] did confirm that Ransom Carter and [redacted] know each other.

[redacted] stated that [redacted] does not know he has been arrested. [redacted] stated that [redacted] is constantly calling him to do work for him. He has had a good relationship with [redacted] in the past and trusts him. He has (in the past) sent \$20,000 in cash via FedEx to an address in Utah.

Under an agreement with the US Attorney's Office, [redacted] voluntarily agreed to assist in the investigation. Agent Medrano and I began monitoring consensual telephone conversations between [redacted] and [redacted]. During the course of the investigation, [redacted] instructed [redacted] to set up a bank account. [redacted] advised [redacted] that the "hacker" would file tax returns and have the refunds wired to the designated account. At the appropriate time, [redacted] would make withdrawals from the account and send [redacted] his cut of the money. Through their agreement, [redacted] would deal with the hacker and [redacted] would deal with the bank account. Agent Medrano and I set up an undercover account (managed by IRS-CID) at Meridian Bank.

During the course of the investigation, [redacted] instructed [redacted] to open a Safe Mail.net account so they could communicate via email. As we began monitoring the emails, we were able to capture an IP address used by [redacted]. It was determined that the IP address belonged to a [redacted] at [redacted] UT. [redacted] has a criminal history for drug possession and Mail Fraud. It should be noted that the Inspection Service in Salt Lake City arrested [redacted] in 2000 for the mail fraud charge. [redacted] received 36 months probation.

On 3/14/08, approximately \$52,513 was wired into the undercover account. [redacted] notified [redacted] UT via FedEx about the deposit. [redacted] was instructed by [redacted] to send \$9,000 to [redacted] via FedEx.

Once I confirmed the address (UPS Store), I notified [redacted] with FedEx Corporate Security to assist with a FedEx package. On 3/18/08, Agent [redacted] (IRS-CID) and I met with [redacted] at the FedEx facility near the airport. We successfully entered the package in the system to look like it was sent. I gave Agent Medrano the tracking number so [redacted] could give it to [redacted].

On 3/19/08, Agent [redacted] and I secured the package with \$9000.00 in undercover funds (US currency). Agent [redacted] and Inspector [redacted] hand delivered the package to FedEx at the receiving center in Salt Lake City. Inspector [redacted] and I along with IRS Agents from Phoenix and Salt Lake City conducted mobile surveillance on [redacted] residence and the UPS Store.

At approximately 9:32 AM (MST), surveillance observed [redacted] walk into the UPS Store. At 9:38 AM (MST), surveillance observed [redacted] walk out of the UPS Store with the FedEx parcel. Numerous photos were taken of [redacted] with the parcel (the memory card for the digital camera and a CD of the photos were turned in as evidence, #A01395946). Shortly after [redacted] returned to his residence (9:53 AM (MST)) [redacted] called [redacted] and informed him that he received the parcel.



United States Postal Inspection Service  
Restricted Information

Print Date: 02/20/09  
Print Time: 17:10:26

Investigation Details Report  
Case Number: 1672940-IT

Page 4 of 9

Requestor: USPISJLWilson

Event ID: 5560190

FY: 2008

Credited Inspector: USPISJLWilson

Nick Name: FY2008

Entered By: USPISJLWilson

Entered Date: 04/01/2008

On 3/31/08, I met with AUSA Fred Battista in reference to a PEN, Trap & Trace on [REDACTED] call phone [REDACTED]. On 3/32/08, at 4:15 PM (PST), I met with Judge Lawrence Anderson to swear to the PEN register. The order was signed by Judge Anderson (#08-3079MB).

Event ID: 5560190

FY: 2008

Credited Inspector: USPISJLWilson

Nick Name: FY2008

Entered By: USPISJLWilson

Entered Date: 04/11/2008

On 4/10/08, [REDACTED] was indicted for Mail Fraud, Tax Fraud, Conspiracy to Defraud the Government and Defrauding the Government. The indictment is under Seal.

Event ID: 5560190

FY: 2008

Credited Inspector: USPISJLWilson

Nick Name: FY2008

Entered By: USPISJLWilson

Entered Date: 04/23/2008

On 4/14/08, I flew into Salt Lake City for an execution of an arrest and search warrant on [REDACTED]. On 4/14/08, IRS Agents along with US Postal Inspectors briefed at the IRS Office for the arrest on 4/15/08. As part of the arrest, a target FedEx package was sent to [REDACTED] to be delivered to his UPS Store box on 4/15/08.

On 4/15/08, Agent Medrano, [REDACTED] and I staged at the UPS Store in [REDACTED] UT. At approximately 12:30 PM (MST), [REDACTED] was observed walking out of the UPS Store with the target FedEx package. At that time, [REDACTED] was arrested without incident.

Once I identified myself, I placed [REDACTED] into a gov't vehicle and explained to him that he was under arrest. I further explained to [REDACTED] that the Postal Inspectors and IRS-CID were executing a search warrant at his residence. I read [REDACTED] his Miranda Rights. [REDACTED] requested an attorney.

At approximately 3:00 PM, [REDACTED] had an Initial Appearance before a Federal Magistrate in the District of Utah. During that time, [REDACTED] was assigned a Federal Public Defender. Agent Medrano, AUSA Fred Battista and I were notified by [REDACTED] Counsel that he wanted to cooperate with the Government.

[REDACTED] was briefed at IRS at approximately 4:00 PM. [REDACTED] advised that he has been working with the "Hacker" for over three years and met on a blog/forum through [REDACTED]. [REDACTED] stated that he has never met or talked with the Hacker.

[REDACTED] described how he and the hacker do all of their debit card schemes. The Hacker obtains the profiles (names, DOBs, SSNs) of the ID theft victims. [REDACTED] recruits people to setup the bank accounts with debit cards and tells them to provide various addresses. The debit cards are mailed to the designated addresses and the recruits retrieve the cards.

The recruits provide [REDACTED] the debit cards numbers and the bank account numbers. [REDACTED] sets up a PIN for the cards and emails the information to the hacker. Once the hacker has the information he is able to associate a profile (ID Theft Victim) to that debit card and bank account. The hacker starts to fund the account by wiring bad money into the account.

The recruits use the actual debit cards at ATMs as payment. The Hacker and [REDACTED] "Ghost" the cards by purchasing blank magnetic cards and swiping them in a card swiper and copy the actual debit cards. As a result, they use the cards at various ATMs to make cash withdrawals. [REDACTED] stated that the hacker wants the money from the account that the Government set up as an undercover account (The UC account has over \$400,000 from fraudulent tax returns that hacker has done).

During the briefing, I asked [REDACTED] what he did with the \$18,000 we sent him in the two controlled deliveries. [REDACTED] stated that he has been dealing with a "Doug, Daniel, Craig and John" in brokering a gun deal with a guy named [REDACTED] up in Washington state. [REDACTED] stated that "Doug, Daniel, Craig and John" are the same guys he introduced to the CI on the phone that could make a one time withdrawal from the UC account. [REDACTED] stated that he sent approximately \$13,500 to [REDACTED] on the request of John to front the gun deal.

[REDACTED] was very apprehensive about assisting the Govt in apprehending Doug, Daniel, Craig and John. It was later determined that Doug, Daniel, John and Craig are undercover agents with the ATF, Secret Service and the Newport City Police Department.

[REDACTED] is currently assisting the Government in locating the hacker. This is an ongoing investigation.





United States Postal Inspection Service  
Restricted Information

Print Date: 02/20/09  
Print Time: 17:10:25

Investigation Details Report  
Case Number: 1672940-JT

Page 5 of 6

Requestor: USPISJLWilson

Event ID: 5560190

FY: 2008

Credited Inspector: USPISJLWilson

Nick Name: FY2008

Entered By : USPISJLWilson

Entered Date: 05/08/2008

Over the last three weeks, with the cooperation of [REDACTED] we have been able to keep email communication open with the "hacker" and [REDACTED]. The hacker, through previous emails, has stated he wants a payment of \$68,000 for funding the accounts with bogus tax returns. [REDACTED] explained that the money is split 40-20-40, 40% for the bank guys who set up the accounts, 40% for the hacker for funding the accounts and 20% for [REDACTED] for brokering the deal between the bank guys and the hacker (they never meet; [REDACTED] is the intermediary).

The hacker has stressed an interest in draining the UC account because he wants more than \$9000 withdrawn every two weeks. The hacker has conveyed to [REDACTED] that more money should be pulled from the account since he has funded the account for over \$600,000.

[REDACTED] (by the direction of the USPIS, IRS-CI, Secret Service and FBI (Special Agent Rich Murray with the FBI was invited into our case due to the Cyber-crime matter.)) convinced the hacker to use Daniel (Undercover Secret Service) to move the money out of the UC account into an account set up by Daniel. [REDACTED] explained to the hacker that they would only be able to pull their share of the money out of the account quarterly. However, the monetary pulls would be significant (\$400,000 a quarter). The purpose of using Daniel is to provide time for us to setup a controlled delivery of \$68,000 to be sent from [REDACTED] to the Hacker (The IRS agreed to let \$68,000 walk). A package was prepared the week of 28th in Salt Lake by IRS agents as instructed by the hacker and was secured in the vault at the Postal Inspection Service in Salt Lake City.

On 5/5/08, the hacker sent an email to [REDACTED] instructing him to FedEx the \$68,000 to a "FedEx Kinkos" located at 249 S. California Ave., Palo Alto, CA 94306. That Kinkos is a 24 hour facility. On 5/5/08, Inspector [REDACTED] in Salt Lake City had the package shipped priority overnight (tracking number #857405291611). On 5/5/08, Agent Medrano, Fleischman, [REDACTED] (IRS), Agent Murray (FBI) and I flew to San Jose and met at the San Jose FBI Office. We discussed and prepared an Operations plan to give to the FBI in San Jose. Furthermore, I contacted [REDACTED] with FedEx security to keep him apprised of our situation. [REDACTED] got me in contact with [REDACTED] with FedEx Kinkos security in San Jose.

On 5/5/08, USPIS, FBI and IRS agents met and briefed on the operation. a 24 hour surveillance was conducted using the FBI's Special Operations Group (SOG) from 6:00 am until 10:00 PM. FBI Agents from the Oakland field office with IRS and USPIS agents would conduct surveillance from 10:00 pm to 6:00 AM (5/7/08). I was notified by FedEx that the package was delivered to the FedEx Kinkos on 5/6/08 at approximately 8:00 AM.

At approximately 5:03 PM (PST), I received a call from Agent Medrano that Inspector [REDACTED] informed her that the suspect entered the FedEx Kinkos to pick up the package (Inspector [REDACTED] was situated inside the Kinkos at the time). The subject entered from the rear of the store and exited with the package through the front doors on California Avenue and proceeded to walk eastbound on the northside of the street. Agent Murray and other Agents began mobile surveillance on foot. They observed the suspect east of the store ripping apart the package and removing a remote control car (we hid the money inside a car).

At that time, the suspect walked south on a side street and placed the packaging material in a dumpster behind the Kinkos. The suspect continued to walk down California and got on a "CalTrain" train proceeding north at 5:31 AM. At that point, surveillance was discontinued. We determined that it was important not to press the surveillance on the train because we did not want to get "burned."

At approximately 7:00 am, I went into the FedEx Kinkos and met with the store manager, [REDACTED]. Through a subpoena, [REDACTED] was able to provide me a copy of the video surveillance and the "sign out" sheet the suspect signed. Furthermore, we were able to retrieve the packing material. I sent the packing material back to Phoenix via registered mail (#RA109174973 US) to be dusted for prints.

[REDACTED] stated that the employee that waited on the suspect was a [REDACTED]. Agent Fleischman, Inspector Freeman and I met [REDACTED] at his residence located at [REDACTED]. [REDACTED] stated that he did not know suspect and has never seen the suspect in that store before. He described the suspect as a w/m (maybe part h/m), 5'6" 5'7", light build, clean shaven, dark hair, in his twenties, wearing a dark skull hat, a black hooded jacket zipped in the front. [REDACTED] stated what he noticed most about the suspect was his right hand (that was the hand he signed with). He stated that the suspect had what appeared to be a dark, red blotch on his hand. [REDACTED] thought it could have been possibly a birth mark.

Event ID: 5560190

FY: 2008

Credited Inspector: USPISJLWilson

Nick Name: FY2008

Entered By : USPISJLWilson

Entered Date: 06/30/2008



United States Postal Inspection Service  
Restricted Information

Print Date: 02/20/09  
Print Time: 17:10:26

Investigation Details Report  
Case Number: 1672940-IT

Page 8 of 9

Requestor: USPISJLWilson

On July 27, 2008, I was notified by the CI that the hacker was going to provide an address to have the CI ship \$340,000.00 to the hacker. (Previous emails between the CI and the hacker read that the hacker was expecting another large shipment of money from the CI). On July 28, 2008, I flew out to San Jose to meet with Agent Murray (FBI), Fleischmann (IRS) and Medrano (IRS) to discuss an operations plan for the next delivery (we flew to San Jose anticipating the address to be in the San Jose area).

When we arrived in San Jose, we met with Agent William Ng with FBI in San Jose. We discussed an operations plan that would entail having surveillance on the apartment and the potential drop location 24 hours a day, 7 days a week. The plan was to surveil the suspect from his apartment to the Caltrain station and let him pick-up the package at the FedEx Kinkos and then arrest him (it should be noted that we had a "no knock, anytime" Search Warrant for the apartment. We also secured a sealed Indictment and Arrest Warrant from the District of Arizona).

It wasn't until Wednesday, July 30, 2008, that our CI received an email from the suspect with an address. The address was a FedEx Kinkos located at 249 S. California Ave., Palo Alto, CA 94306. This is the same FedEx Kinkos we delivered the first \$68,000 to the suspect. The suspect instructed our CI to mail the package to the FedEx Kinkos in the name of Jeffrey Killian with no return address.

At that time, I went to the FedEx Kinkos and met with the General manager, [REDACTED]. Based on the previous delivery, [REDACTED] was willing to let an agent stay in his back office during the morning shift (10p-6a) and monitor the surveillance cameras. He also provided FedEx Kinkos shirts for the agents to wear. I also notified [REDACTED] with FedEx Kinkos Security to apprise him of our situation.

After meeting with FedEx, I notified Inspector [REDACTED]. Inspector [REDACTED] is the Team Leader for the San Jose Domicile. I informed him that we had an address and provided him with an operations plan. He provided every Inspector from the Domicile to assist with the operation. Furthermore, the FBI provided their SOG group, SWAT and other agents for the operation. IRS sent numerous agents from Phoenix and Albuquerque to assist as well.

Inspector [REDACTED] from the Salt Lake City office sent the package out via FedEx from Salt Lake City on July 30, 2008. The package was delivered to the FedEx Kinkos in Palo Alto on Thursday July 31, 2008 at approximately 8:00 am. US Postal Inspectors, FBI and IRS Agents sat on the apartment and FedEx Kinkos 24 hours a day, 7 days a week. I worked the morning shift (10p-6a) at the FedEx store in the back office monitoring the cameras. For 4 days the suspect did not show to pick-up the package. However, he was still communicating (via email) with our CI. We advised our CI not to even mention the package for fear the suspect might think he was being set-up.

Not Relevant

[illegible]

Excerpt of IRS-CI - Report of Interview of CI-1 – January 29, 2008;  
Note: Redactions were done by the government using black maker;  
Additional redactions done by the defense using white squares with  
black borders; (4/6/09 BATES Nos. 9872-9874 and 9876 of April 6,  
2009 discovery set).



Memo - CT 1



**Internal Revenue Service  
Criminal Investigation**



**Memorandum of Interview**

**In.Re:** Ransom Carter

**Location:** US Attorney's Office  
40 North Central Avenue  
Phoenix, AZ 85004

**Investigation #:** 1000213176

**Date:** January 29, 2008

**Time:** 2:00 pm - 3:30 p,

All times are approximate.

**Participant(s):** [REDACTED] Interviewee  
[REDACTED] Defense Attorney  
Fred Battista, Assistant US Attorney  
Jim Wilson, US Postal Inspection  
Al Childress, Supervisory Special Agent  
Denise L Medrano, Special Agent

On the above date and time, the individuals listed above met for a follow up to the interview of [REDACTED] on January 24, 2008. AUSA Battista reminded [REDACTED] that the same rules apply to this meeting as they applied to the initial interview. [REDACTED] stated he understood. The following information was obtained:

Since our initial meeting, [REDACTED] has been in contact with JP numerous times via email and telephone. [REDACTED] last conversation with JP was this morning at approximately 10:00 a.m. regarding when they will move on this year's tax scheme. All conversations/contact with JP appear to be normal at this point.

Not Relevant

[REDACTED] is pushing for the use of a bank account. [REDACTED] informed JP that he has someone working at a bank and there should not be a problem pulling out the money. The opened account will need to be a business account (a tax preparation business). JP is aware that a bank will allow multiple tax refunds be deposited into a business account. Multiple refunds being deposited into a personal account will raise flags. Although JP is not provided any paper documentation from the bank (i.e. signature card, business license) JP may verify the business identity via the corporation commission.

Not Relevant

Not Relevant

In addition to the bank account, JP and the Hacker have tax refunds funding prepaid visa cards. [REDACTED] is not in on the prepaid visa card scheme. [REDACTED] is aware of the prepaid visa cards because JP has offered the information.

Not Relevant

*Denise L Medrano* <sup>E</sup>

Denise L. Medrano  
Special Agent

I prepared this memorandum on January 30, 2008, after refreshing my memory from notes made during and immediately after the interview with [REDACTED]

*Denise L Medrano* <sup>E</sup>

Denise L. Medrano  
Special Agent

[illegible]

FBI Internal Memorandum – May 5, 2008; Note: Text based redactions were done by the government; Additional redactions done by the defense using white squares with black borders; (Item No. 1 of November 29, 2010 discovery set; 3/2/09 BATES Nos. 6911-7171 of March 2, 2009 discovery set).



**DISCOVERY**

**November 29, 2010**

**ITEM NO. 1**

---

**FBI Internal Document, dated May 5, 2008, regarding the \$68,000  
undercover delivery. (4 Pages)**

Date: 05/05/2008

Serial: 3

Subject: FBI Internal document dated 5/5/2008 re: delivery of \$68,000

Not Relevant

An Unidentified Subject (UNSUB), believed to be one of the primary targets in the investigation, has given explicit instructions to a Cooperative Witness (CW) to FedEx \$68,000 cash to the FedEx Kinkos located at 249 S. California Avenue, Palo Alto, CA. Case Agents in Phoenix worked with the CW to properly package the cash and overnight it to Palo Alto. The package is set to arrive at the FedEx Kinkos at 8:30am on 05/06/2008.

FBI Phoenix has provided ATM photos of an individual that has accessed UC bank accounts known to contain proceeds from the fraudulent activity. These photos have been provided to [REDACTED] and are attached to this [internal memorandum]. It is possible, but not certain this will be the individual that picks up the package.

**[REDACTED: Prospective Investigation materials]**

FBI Phoenix has provided ATM photos of an individual that has accessed UC bank accounts known to contain proceeds from the fraudulent activity. It is possible, but not certain this will be the individual that picks up the package. Photos have been provided to surveillance units and are attached [to this internal memorandum]

**LAW ENFORCEMENT PARTICIPANTS IN THE OPERATION**

[REDACTED]	Phoenix FBI Case Agent
[REDACTED]	SF FBI Case Agent
[REDACTED]	Surveillance Team Leader (am)
[REDACTED]	Surveillance Team Leader (PM)
[REDACTED]	A/SSA
[REDACTED]	USPS Case Agent
[REDACTED]	IRS Case Agent
[REDACTED]	IRS Case Agent
[REDACTED]	IRS Case Agent
[REDACTED]	USPS Case Agent

*member of  
the surveillance team*

---

ATTACHMENTS FOR  
FBI INTERNAL DOCUMENT  
DATED 5/5/2008.

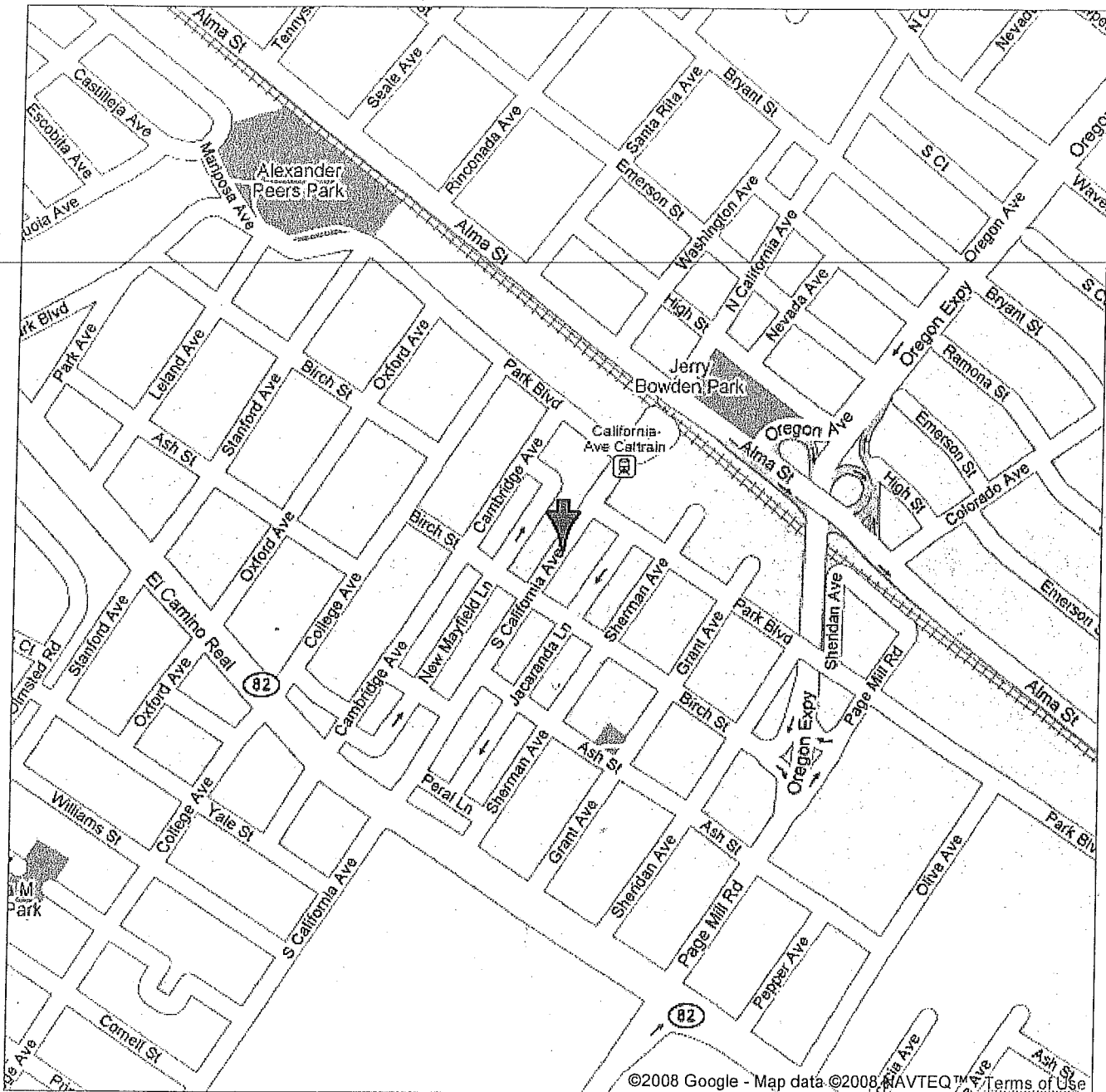


Address **249 S California Ave**  
**Palo Alto, CA 94306**

Get Google Maps on your phone

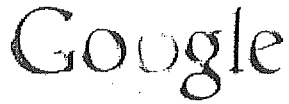


Text the word "GMAPS" to 466453



©2008 Google - Map data ©2008 NAVTEQ™ Terms of Use

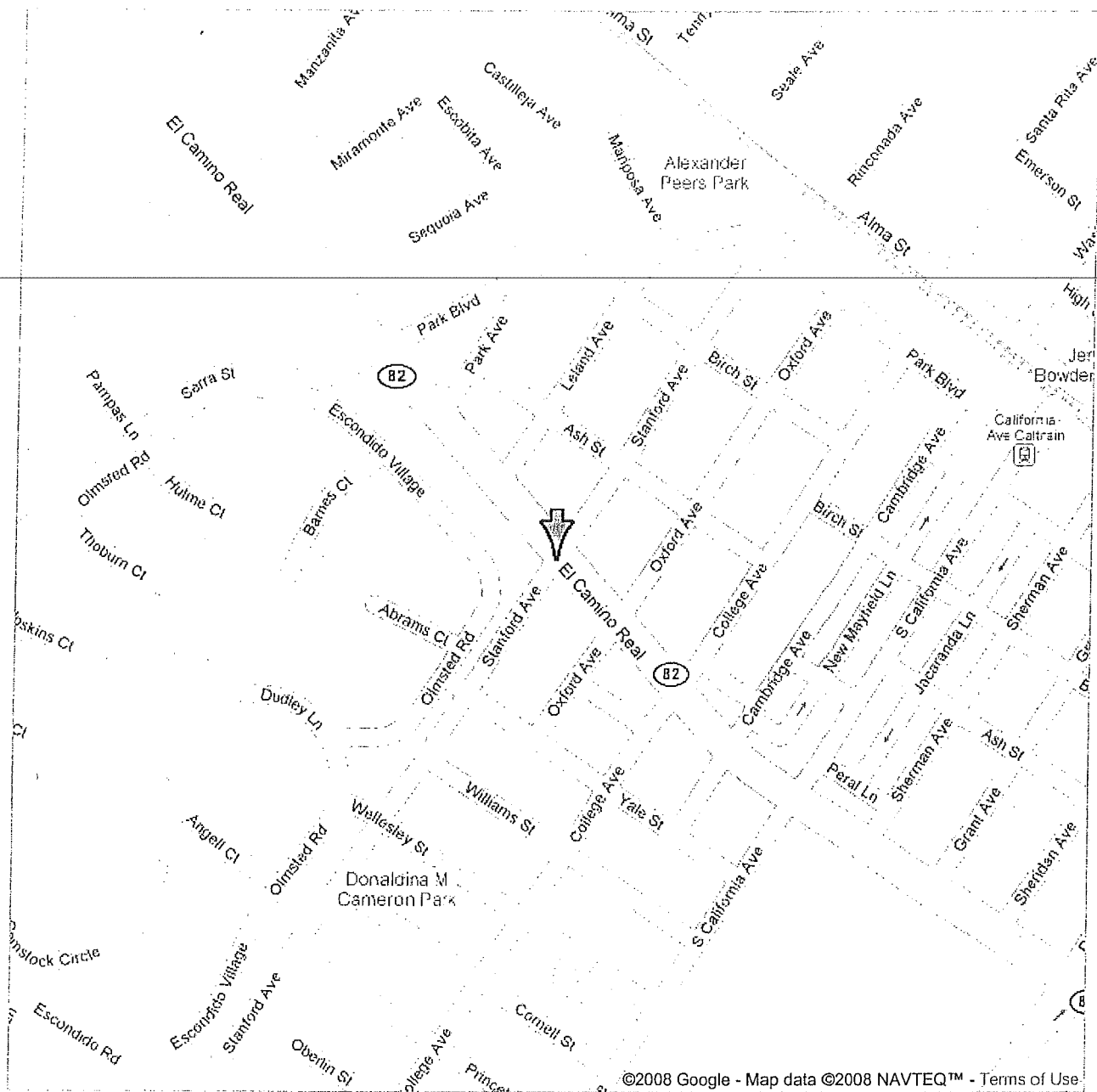
Fed Ex / kinkos



Address **2000 El Camino Real**  
**Palo Alto, CA 94306**



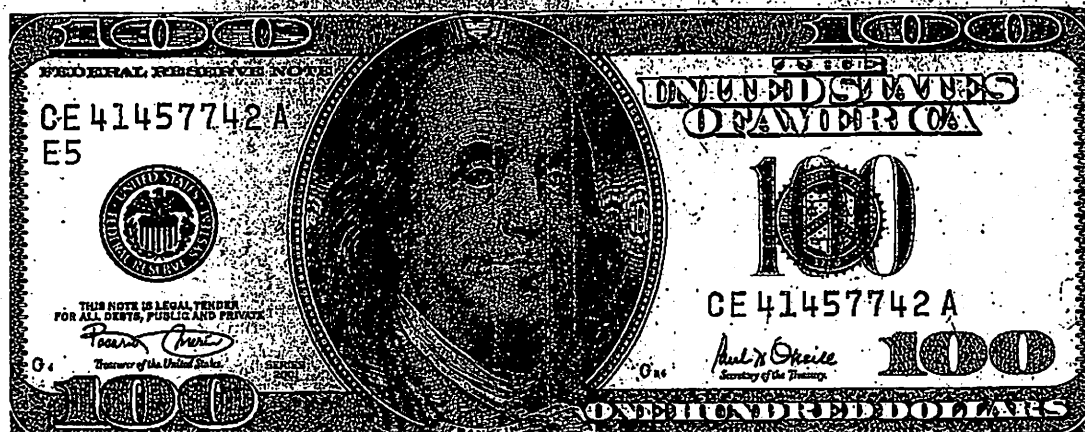
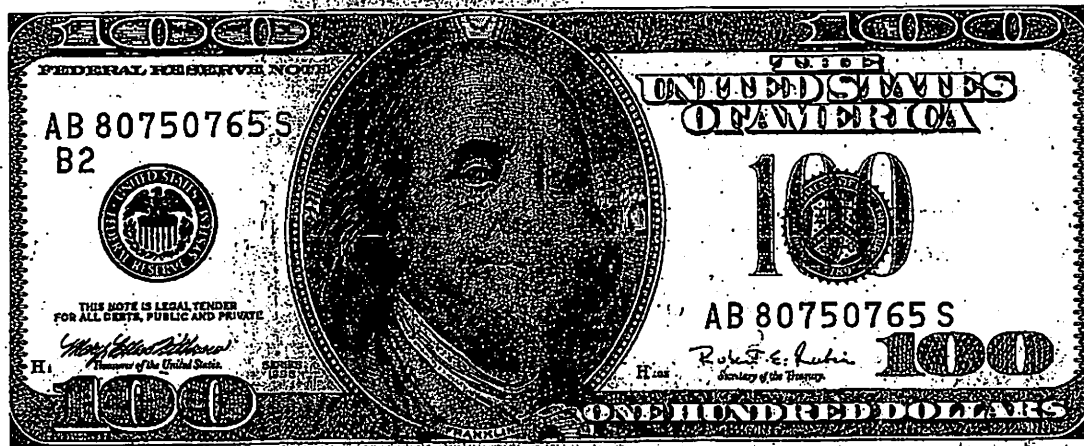
Get Google Maps on your phone  
Text the word "GMAPS" to 466453





\$ 100 Bills located  
at Apartment.

- Match to \$68,000  
Shipment



[illegible]

Emails dated April 20, 2008, April 24, 2008, April 25, 2008, May 9, 2008, May 16, 2008, May 27, 2008, May 28, 2008; Note: redactions done by the defense using white squares with black borders; (Defendant's Copy 1779, 1782, 1783, 1794, 1798, 1804, and 1805 of February 20, 2009 discovery set).

from\_mala1\_4-20-2008

Not Relevant

What I meant for final pull is that we are working on the idea of doing one large pull and leave about 10k in to keep it alive. This seems to be something that may work. Due to having the inside person and Daniels help we should be able to do this and not burn the account. As always... who knows if something bad can happen and it gets shut down. If you do that big of numbers... obviously that may create some attention... but I guess that is up your alley of know how.

Not Relevant

I wont know on the methods of pull until Monday when I talk to the AZ guys. (i.e. who checks were writtent to)

from\_mala1\_4-24-2008

I had an idea I will pass on to Daniel... let me know what you think. I was thinking of having him do a larger pull like we talked about for the entire amount... but I was thinking for him to do the amount for what is owed to you and I... he can move the money into his account. He had once said to me that he can move money around in such a way that if they tried to trace it they would run into dead ends... However, He can end up having it show up in the account you would be funding... so it would go into the pot that he can pull quarterly... this would delay us getting our cut from the AZ guys... BUT... most importantly we can cut out the AZ guys and be done with them. With the way the AZ guys are doing things they may mess up us getting our cut... so I think this will insure us getting it... let me know what you think. Bottom line... I talked to Daniel about your thoughts of the AZ guys awhile back... he pretty much agrees that these guys really don't know what they are doing... this is the reason I want to push this idea past you.

I wasn't around when Daniel called... he left a message letting me know he will get with me on Friday or Saturday. He apologized for all the delays in contacting me as he is on another couple projects that is really taking up a lot of his time.



from\_mala1\_4-25-2008

The 75k pull was done via a check written to an accounting company that Daniel set up for us to do these larger pulls. I forget the name of the company... they did tell me over the phone... but I forgot to write it down..Let me know if you need that info specifically. From what I understand the AZ guys have been setting up a couple other accounts in different banks to write the checks to as though it is regular business... such as accounting companies/small businesses that a tax firm may write checks to.

I can understand a little on wanting to keep the AZ guys in the loop because of the late returns...However, in the conversation I had with Daniel, he said that these guys could really mess things up for us in the long run, this is why he had a discussion with me and them about just pulling our cut... the AZ guys actually had no problem with that, they are pretty happy with this much money right now and feel it is ok to just get this money and run.. if you know what I mean. I think their inside guy that had a gambling issue is able to take care of his debts and thats all he wanted to do and walk away. My opinion is that it is not a bad idea to take our winnings and move on to a better horse.

Just so its clear... here is what I'm getting from everything... the AZ guys sound like they pretty much want to walk away now anyway, Daniel thinks he can do a better job for us (I agree with that). Daniel with his contacts will be able to wire funds in such a way that he has his contacts erase the actual paper trail and electronic... from what I got in the conversation is that he makes the actual piece of paper disappear AND someone in the mainframe changes numbers around so it goes to an account that does not even exist... making it look like a stupid person at the bank made a mistake...he said the account has seen millions of dollars for a long time... the million a week you mentioned... he said would be no problem if your serious about it. Daniels next pull should be at the end of June if I understood him right. The AZ guys said they will allow you to have the online access fully until Oct. 15th (based on what I told them) so that you can see if they end up owing us more money... if that is the case... my gut tells me that it will be no problem for them to pull it for us themselves and not have Daniel deal with that smaller amount. They really dont answer me very direct when I ask them about how they are pulling the 9k pulls except what I have already said... they make checks out to cash... Daniel told them that they need to change things a little on their end. Based on what they said... Daniel gave them some advice... they just didnt break down what he said. I will ask Daniel about the wiring to gold dealers... I will take a guess that he has done this before and is comfortable doing it this way it sounds like a system he has used succesfully already... he may not want to do something different as it MAY NOT work... but I will ask him about that.

I do have the cash now... I have almost everything done and barring any problems will be able to ship on Tuesday if that is ok with you. I'm sorry this is taking so long... but this has really been hard to do considering how things are around me right now... I think normally I could have got this out within a day or two after I got it. Again, I'm sorry this is taking so long for me to do. I am gussing you will hit me with an address soon?

Not Relevant

from\_mala1\_5-9-2008

Not Relevant

As for the AZ account... Daniel said he is not going to go and pull from the account again... he does not like these guys and he said he will not expose himself to their incompetence... no matter what I tried... he said he will not go and pull large amounts like last time again. He said the only way he will do it if we want him to this via his electronic plan, moving it into his quarterly account. He was non-negotiable in this. I have not done the math on what has been pulled because I am not absolutely sure. Daniel is working for you and I only... NOT the AZ guys... it is up to them to get their own cut... and the AZ guys are fine with that. If you can get me an exact balance so I can compare it with what the AZ guys tell me... I then can do the math and see what exactly needs to be moved for Daniel... I would feel better if I get it from you and the AZ guys to make sure it is the correct amount and no one gets mad. I just want confirmations if you agree to do this or just get our 9k a week junk from the AZ idiots... I dont want to wait either... plus this really just exposes me to too many problems.

He said he will set up an account that you can do the returns to, that he can move the money weekley into the quarterly account... via his electronic process... insuring that if there is a problem... it will only affect THAT account and not his good quarterly account.

Not Relevant

from\_mala1\_5-16-2008

Daniel said he would be moving money out of AZ account on Tuesday or Wednesday at the latest. Based on the math I have done, we should be moving 364,260 into that account. I like to keep the numbers round... so I wont count the pennies.

The account to fund is:

0331 ACCT.

RT. 121000358

This is a B of A account.

Not Relevant

from\_mala1\_5-27-2008

I have not heard back from Daniel yet... I know he had plans for the weekend... he said something about it possibly being an extended weekend. I hope to hear from him tomorrow and will get your answers to you then.

I wouldnt say that Daniel has not thought of this or other things before... I feel confident in saying that he works on things you and I have never thought of... this group he works with, is a very organized and large WORLDWIDE group, They have many people in different area's of specialty... I have earned a little respect from them... not a lot yet... they just dont work with anyone... or just let anyone in, I feel fortunate up to this point to have this much trust so far... I hope to have another couple good years with them and hopefully get something very strong going with them. I have assisted them with my small part on 50 million dollar deals.... when I say my small part... for example, I helped them with custom survielance equipment.

Not Relevant

from\_mala1\_5-28-2008

Here is the bank info I got from Daniel so far:

Meridian and Compass bank accounts are empty, the money was returned to the IRS, the bank contacted IRS and it was returned for that reason.

Wachovia accounts are in Collection right now... so there is no money... in fact the accounts (savings and checking) are overdrawn.

He still has not got the SW money out, he did not want to give me full details as of yet for what the problems are, just that it is a longer process due to the bank... not LE.

He said he has never tried to do the ATM limit thing as he has never needed it, he said he probably could if he wanted to.

I made a call on the weapons again today... they said they will get back to me soon... hopefully by Friday if all goes well.

Daniel was a bit irritated on the phone with me as he said this was a real waste of time for him. He said that if you are going to give him accounts try to make sure they have something worth looking into. I explained to him that you had some problems with another contact that set those up, that is why you are unsure about the status of them. Anyway... the bottom line is I recommend you give him what you have on old stuff so we can just move on to the better stuff.

These guys in my opinion are deeper and more organized than the mob... they are not as old and rooted... but they are much more sophisticated in my opinion as I have worked with the Italians, Russians, a little with the Romanians, and a couple different Asian groups... these guys are much better to work with as they are not about flexing like these other groups... However, they can flex very well when they need to as I have seen in one of the deals I helped them with... no need to go into details.. I am sure you catch my meaning.



[illegible]

Emails dated August 29, 2007 and August 29, 2007; Note: Redactions done by the defense using white squares with black borders; (Defendant's Copy 1687 and 2079 of February 20, 2009 discovery set).

from\_jp\_8-29-2007

For now... forget the bank guys... personally... I'm not into setting up the bank accounts... it involves too many people.. and opens up for more issues. The only way I think we should move on that is if I can find an inside person again. For now I think the cards will be the only way we can get our own company rolling... I dont mind putting up most of the funds of my cuts to do this next season. I will find the best people to accomplish this task in the mean time. What are your thoughts?

I have been struggling to communicate with the w2 guy... I will work him over during the down time. I should also have your egold set up in a few days in a more anonymous way.

I know this is repeating... I also know you do not intend on ordering more cards this season... I would like to ask and encourage you to do just a little more... i.e. to put about 20k in each others pockets... I am happy to pull your cut for you if you dont want to... I just could use the cash to get me through the down time as some other projects I am working on are not doing well right now. I completely understand if you do not want to... Whatever works for you is fine.

\*\*\* END PGP DECRYPTED/VERIFIED MESSAGE \*\*\*

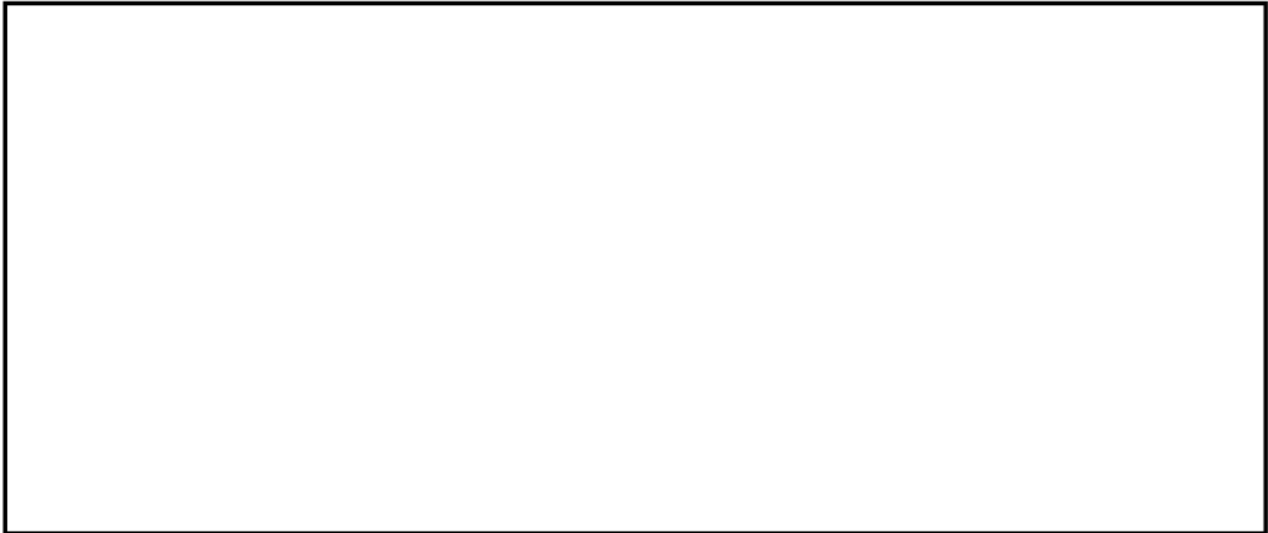
to\_jp\_8-29-2007

I would do more this year but they might not work so I really don't want to. The IRS and SSA are getting faster now so at this point they have all the employer reportings already computed I figure. I think we should wait until next year. I also don't have time to do any either. I may try to do some for the final week using the cards we have left but I don't think there is time for me to order more cards and file returns for this year. I think we have 3 cards left.

When you called the IRS did they say what those specific "reserved" errors were? I know they are listed as reserved but they do actually have a meaning. I have seen many of those reserved errors returned by the IRS in reference to failed returns. When you called about that guy did they say why his return failed? The 1221 error has something to do with hurricanes. I think maybe the efile processor messed up the filings somehow or maybe my program became incompatible again.

Thanks for the file with the error codes. The one I had didn't have as many listed as the one you sent.

For those addresses, I will use them towards the end of October so keep me updated on if they are still good. Are you really that low on money? I alone made you about \$40,000 or something like that, I think even more. Did you spend all that money already?



[illegible]

FBI Internal Document Summaries – April 25, 2008 to September 21, 2009; Note: Text based redactions were done by the government; Additional redactions done by the defense using white squares with black borders; (Item No. 4 of November 29, 2010 discovery set).



**DISCOVERY**

**November 29, 2010**

**ITEM NO. 4**

---

**FBI Internal Document Summaries, dated April 25, 2008 to September 21, 2009, regarding various aspects of the subject investigation. (38 Pages)**

Date: 06/24/2008

Drafted by: Richard J Murray

Subject: Internal memorandum re: [REDACTED] Not Relevant

Not Relevant

Serial: 25

Date: 07/09/2008

Drafted by: Richard J Murray

Serial: 30

Not Relevant

Based on returns filed earlier this year, The Hacker was due to be paid \$68,000 in May 2008 from the CW in proceeds derived from the fraudulent returns. **[REDACTED: Internal communication]** On 05/06/2008, a package was sent to a FedEx/Kinko's 24-hour store in Palo Alto, California at The Hacker's direction. The currency had been washed, sealed and hidden in a toy car, per The Hacker's instructions. On 05/07/2008, at approximately 5 a.m., an unknown male on foot retrieved the package from the store, ripped open the package at a nearby street corner and departed the area. It is believed that the courier departed the area on the CalTrain. Surveillance agents were not able to identify the individual who obtained the package. Database checks conducted on fingerprints recovered from the packaging handled and discarded by the courier were negative. Analysis of the video showing the courier in the FedEx store did not provide adequate images to identify the courier.

Not Relevant

[illegible]

Postal Inspection Service - Surveillance Memorandum; Note: Redactions were done by the government using black maker; (Item No. 9 of September 11, 2009 discovery set).

**9**

**9/11/09**

**Postal Inspection Service - Surveillance Memorandum -  
Postal Inspector Greg Freeman - FedEx Kinko's - Palo Alto,  
California - 5/7/08 - 2 Pages**



**Surveillance memo...**

Freeman, Gregory A [REDACTED]

**Sent:** Tuesday, May 13, 2008 12:17 PM

**To:** Murray, Richard J.

**Attachments:** San Jose Surveillance.doc (135 KB)

---

See attached...

Gregory Freeman  
United States Postal Inspector  
1760 W. 2100 S., Suite 270  
Salt Lake City, UT 84126  
[REDACTED]

288A-PX-82001 (12)  
Defendant's Copy 13434

May 13, 2008

Case Number: 1219-1672940-IT(1)

Investigative Memorandum

On May 7, 2008, at approximately 5:00 AM, while conducting surveillance from the inside of the FedEx Kinko's located at 249 California Ave., Palo Alto, CA, I observed a male subject approach the receiving counter approximately 10 yards from my location. The subject entered the store at approximately 5:05 AM, but it was unclear which entrance that he entered from (the front or rear entrance).

Present in the store at the time the subject arrived were myself, a heavy set black male employee, an older white male employee with grayish hair, and a younger white male employee with short reddish brown hair and a goatee. This employee had on a short sleeve polo type shirt exposing tattoos on his arm(s). It was this employee that handled the transaction with the unknown subject.


Also in the store was another black male customer, approximately 50 years old, that was sleeping in the computer work station cubicle that was positioned along the back wall behind me.

The subject was wearing a black hooded sweat-shirt (the hood was not pulled up however), and a black beanie type cap/hat. The subject also had a black knap sack type bag slung over his left shoulder.

The subject appeared to be approximately 25 years old, 5'6" to 5'8" tall, and approximately 135-155 lbs. The subject had a small to medium build, and had a dark complexion (possibly Indian or Middle Eastern), with black hair. The subject's hair color was clearly observed because he had side burns that extended down past his beanie type cap/hat. The subject appeared unshaven, but did not have extensive facial hair. He appeared to have more of a five o'clock shadow appearance. The subject conversed in English with the store employee, though their conversation was not clearly overheard.

After waiting for the employee that was helping him, the subject appeared to sign a form on the counter in front of him, at which time the employee placed the target parcel on the counter. The subject grabbed the parcel, and exited the store out the front door and turned right traveling down the sidewalk. As the subject retrieved the parcel and exited the store, I notified the surveillance team that the subject was indeed carrying the target parcel.

The subject exited the store at approximately 5:12 AM. During the transaction, the subject waited patiently, standing in roughly the same position in front of the counter during the entire transaction.

G.A. Freeman  
U.S. Postal Inspector  
SLC. UT  


[illegible]

FBI FD-302 form – May 8, 2008; (2/12/09 BATES Nos. 135-137 of February 17, 2009 discovery set).

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 05/08/2008

From late evening 05/06/2008 to early morning 05/07/2008, a physical surveillance was conducted in the vicinity of 249 South California Avenue, Palo Alto, California, 94306, during which the following observations were made (times are in Pacific Daylight Savings Time):

Time	Initials	Observation
2205	[redacted]	Surveillance is initiated in the vicinity of Kinkos/FedEx at 249 South California Avenue. SA Murray is inside the Kinkos location. All agents in place.
0055	[redacted]	SA [redacted] replaces SA [redacted] inside of Kinkos.
0330	[redacted]	SA [redacted] joins surveillance operation.
0350	[redacted]	SA [redacted] leaves Kinkos and is replaced by U.S. Postal Inspection Service Special Agent [redacted].
0440	[redacted]	SA [redacted] observes an Asian male entering Kinkos front entrance. Asian male arrived in metallic purple Honda Accord. License plate of Honda Accord is [redacted] as observed by SA [redacted].
0450	[redacted]	SA [redacted] observes Asian male exiting Kinkos front entrance to smoke.
0453	[redacted]	SA [redacted] observes Asian male re-entering Kinkos front entrance.
0456	[redacted]	SA [redacted] observes Asian male exiting Kinkos front entrance with a packed manila envelope. Asian male proceeds to drive off in purple Honda Accord.
0500	[redacted]	SA [redacted] observes male wearing dark pea coat and backpack walking from the CalTrain station on California Avenue and Park Boulevard in the direction of Kinkos on California Avenue.

Investigation on 05/06/2008 at Palo Alto, CAFile # 288A-PX-82001-88Date dictated No Dictatby FBI SAs [redacted]by [redacted] IRS SA [redacted]



FD-302a (Rev. 10-6-95)

288A-PX-82001

Continuation of FD-302 of Surveillance Log, On 05/06/2008, Page 2

0503	[redacted]	SA [redacted] observes a small-framed male, wearing a dark hoodie entering the back entrance of Kinkos.
0503	[redacted]	USPIS SA [redacted] makes observations inside of Kinkos. SA [redacted]'s observations are documented in a separate USPIS Investigative Memorandum.
0513	[redacted]	SA [redacted] observes a male with a large box exiting the Kinkos front entrance. SA [redacted] describes the male as:  Caucasian male late 20s approximately 5'6" five o'clock shadow wearing a dark jacket
0516	[redacted]	SA [redacted] via SA [redacted] observes male on the eastern side of California Avenue near Park Boulevard intersection ripping open the box.
0520	[redacted]	SA [redacted] observes male still opening the package on the corner of Park Boulevard and California Avenue.
0521	[redacted]	SA [redacted] observes male walking to the rear of Kinkos and dumping the remains of the box into the trash dumpster.
0523	[redacted] [redacted]	SA [redacted] observes male walking southeast on Park Boulevard with no box in hand.
0524	[redacted]	SA [redacted], on foot, observes male heading in the opposite direction going northwest on Park Boulevard and walking right past him. SA [redacted] describes the male as:  Caucasian male mid 20s approximately 5'8" having a five o'clock shadow wearing a dark wool knit beanie dark pea coat wearing a shoulder bag slung on one shoulder

2/12/09 136

FD-302a (Rev. 10-6-95)

288A-PX-82001

Continuation of FD-302 of Surveillance Log, On 05/06/2008, Page 3

0526	[redacted]	SA [redacted] observes male heading northeast on California Avenue toward the CalTrain station.
0529	[redacted] [redacted]	SA [redacted] retrieves remains of box from Kinko's dumpster and places it in SA [redacted]'s vehicle. SA [redacted] describes the package remains as follows:  The box was a plain cardboard box with brown packing tape, which appeared to have been cut. All address and shipping labels had been torn off so that no identifying information was readable. Inside was wrapping paper with balls from various sports, styrofoam packing peanuts, and styrofoam packaging of a size consistent with a radio-controlled car. There was a remote control unit still mounted in the styrofoam packaging that appeared to belong to an RC car, but no car or other toy was present.
0532	[redacted]	SA [redacted] follows male to the CalTrain station and sees him go in train as doors closed.
0535	[redacted]	SA [redacted] observes CalTrain train departing in the northbound direction.
0540	[redacted] [redacted] [redacted] [redacted]	Surveillance is concluded, called off by SA [redacted].

[illegible]

Emails dated January 31, 2008 to February 14, 2008; Note: Redactions were done by the government using black maker; Additional redactions done by the defense using white squares with black borders; (2/19/2009 BATES Nos. 5018, 5022-5024, 5037, 5038 of February 20, 2009 discovery set).



E-mail

Communication

CI 1 & CI 2



DomainKey-Signature: a=rsa-sha1; q=dns; c=noews;  
 s=N1-0105; d=Safe-mail.net;  
 b=n2KgAG+p93phLAYX//KixOPqp57DxIFyhV4hgNBqLXjAU7Bw2sTf2dwnTsO8Q+by  
 7+mq4XfTVjhpqZB/Q5eUwG/mgQrNcymtwTMbdWaLqiBA6oVMIzDagD+7RWBbCf7b  
 pZxwX5pBEaM7XGUBQ8CLeATNstvLpyCekjXz4bxucgE=;  
 Received: from pc ([76.27.37.158]) by Safe-mail.net with https  
 Subject: Re: [REDACTED]  
 Date: Tue, 5 Feb 2008 10:39:17 -0500  
 From: [REDACTED]  
 To: [REDACTED]  
 X-SMType: Regular  
 X-SMRef: N1-6eiVnKJUvV

Message-Id: <N1-6eiVnKJUvV@Safe-mail.net>

MIME-Version: 1.0

Content-Type: text/plain; charset=us-ascii

Content-Transfer-Encoding: quoted-printable

X-SMSignature:

pNkTmMftWQNuHA40cxQqlKR5ZXbHhI2xoz1llluRsOwjuV0QVOQo/l+yMm+WDnCX  
 7Nc9+WpD37t7CR5UUY+1AW8rHJHjd3lycHgFeeR/Ha1tOrJ7ui76MAv016gczb  
 QDRQvPNKv6AD6NgcN5TpBqy/KuUaLoZayh8vglQGhw=

Sorry for not getting back to you yesterday... wife was home from work... which =  
 means [REDACTED] doesn't get shit done that day. No news on the dead tax yet... If =  
 you go on the yahoo tax chats... there is still a lot of delays for tax payers =  
 due to the IRS... so we are in line waiting for an answer because of that... =  
 not because of what he is doing.

As for the card thing... The live person thing is done... that is where we =  
 needed multiple addresses. But if we get a YES on the dead thing... then I =  
 can get you in on the cards via the same game. If you get 2-5 solid addresses =  
 that the postman will deliver envelopes of multiple names to the same address... =  
 we can get a few hundred cards... what happened last year... about 3 out of =  
 10 would fly... but he is thinking he may know why... and improve on that... =  
 but even with that low of a success rate... we each made a fair chunk... if =  
 he sees that the dead thing will have the same or lower success... he is throwing =  
 in the towel on it.

Unrelated.

----- Original Message -----

From: [REDACTED]

To: [REDACTED]

Subject: Re: [REDACTED]

Date: Fri, 1 Feb 2008 13:45:57 -0700

Unrelated.

Unrelated.

by the =  
way did you hear back from you guy if the dead tax thang went thru? the banker =  
is ready and wondering wat the hold up is let me know wat you need, also why =  
em i left out of the card thang you and the other guy are always getting loot, =  
(lol) if i got my own card can i get in on it, you said address's where needed =  
to send them to is that all i have to do? we need to use this banker for all =  
that we can if you can lite a fire under you boy do it cuz we need to know =  
wats up. and has he gotten back with you as wat he is willing to do? p.s. Unrelated.

Unrelated.

Unrelated. also now =  
i have safe mail send me a step by step lesson on the encryption i need to =  
talk to you and your boy and walk me thru it step by step, so i can understand =  
it and use it. thanks

> ----- Original Message -----

> From: jpl

> To: mikel@safe-mail.net

> Subject: from jp

> Date: Thu, 31 Jan 2008 15:20:38 -0500

>

Unrelated.

DomainKey-Signature: a=rsa-sha1; q=dns; c=noews;  
 s=N1-0105; d=Safe-mail.net;  
 b=pDwXf1wJNdfyt3DmmIEZsvmJGQKfKFO/wEQHoO/ayQY8b92hQSEzbSsQm4gD0RIX  
 jYhuJxAgOyeDS8tZ2p+SoBoeJwEZUtRD6sI9x9SWiIP0jD1kU/5IRIKQdZ6cJGoe  
 t+a++FI81TsgBC5GsbiZfKUnVVzu8Sr6YnD4mDtxRKc=;  
 Received: from pc ([76.27.37.158]) by Safe-mail.net with https  
 Subject: Re: [REDACTED]  
 Date: Thu, 7 Feb 2008 11:20:53 -0500  
 From: [REDACTED]  
 To: [REDACTED]  
 X-SMType: Regular  
 X-SMRef: N1-ILhjjJUSer  
 Message-Id: <N1-ILhjjJUSer@Safe-mail.net>  
 MIME-Version: 1.0  
 Content-Type: text/plain; charset=us-ascii  
 Content-Transfer-Encoding: quoted-printable  
 X-SMSignature: MOFYgi83rgulpNpJtoEpJyxvszVSXq77xEHa2DvfnKXyEWN6idXfc2tDJPsim077  
 KeqUaWrEoi/DMNn9bwl/hQz9oaDM+0wrthRe/ITSj8mxEP0KV9VnHVMrkmAlrCr  
 iuCH2XuouqVAUv5l7S95zlM+9Xt1BOadHnyLE2H/EiQ=

Call me asap

----- Original Message -----

From: [REDACTED]  
 To: jpl  
 Subject: Re: [REDACTED]  
 Date: Wed, 6 Feb 2008 12:28:48 -0700

> OK COOL WILL WAIT TO SEE WHAT COMES UP WITH YOUR GUY, I'M PUSHING  
 BECAUSE =  
 WITH THE WAY THING ARE GOING WITH THE ECONOMY MY SHOPS ARE HURTING BAD  
 AND =  
 I'AM USING MY RESERVE'S TO FLOAT MY BUSINESS'S AND I DON'T WANT TO BE 70  
 YEARS =  
 OLD AND HAVE TO GO BACK TO WORK CUZ I RAN OUT OF MONEY. I MEET WITH THE  
 BANKER =  
 HE MAY HAVE SOME IDEA'S ALSO ABOUT USING THE CARDS. JUS FOR MY INFO IN  
 CASE =  
 HE DOES WHAT COMPANY DO YOU USE FOR THE PRE PAID. SO WE CAN USE THE SAME  
 ONE. =  
 IF IT GOOD I WILL LET YOU IN ON IT AND SEE WHAT YOU THINK ABOUT IT. CAUSE HE =  
 CAN RUN A COMPANY PROMO.

>  
 > ----- Original Message -----

> From: [REDACTED]  
 > To: [REDACTED]  
 > Subject: Re: mike  
 > Date: Tue, 5 Feb 2008 10:39:17 -0500

>  
 >> Sorry for not getting back to you yesterday... wife was home from work... =  
 which means [REDACTED] doesnt get shit done that day. No news on the dead tax yet... =  
 If you go on the yahoo tax chats... there is still a lot of delays for tax =

DomainKey-Signature: a=rsa-sha1; q=dns; c=noews;  
s=N1-0105; d=Safe-mail.net;  
b=YSw2gA1oKrhDg5j7RJtdDZJvmaL3EMhko7mpDoQvMK+R7dBSigJMR4AVpEKAMGKn  
LDL5PX6c0cR6oyQwKWPifyReZQJ0T+IYeF2SGI4gY8wP5cpweIK58vYliIX4i3aH  
yiy9qY/vLpacvtaZK24uTptKMJ6XVU3hziDH/CIDxsw=;  
Received: from pc ([76.27.37.158]) by Safe-mail.net with https  
Subject: Re:  
Date: Thu, 14 Feb 2008 14:52:53 -0500  
From: [REDACTED]  
To: [REDACTED]  
X-SMType: Regular  
X-SMRef: N1-7r\_G8SG-b2

---

Message-Id: <N1-7r\_G8SG-b2@Safe-mail.net>  
MIME-Version: 1.0  
Content-Type: text/plain; charset=us-ascii  
Content-Transfer-Encoding: 7bit  
X-SMSignature: oRe8pYQdNaCA6R/eeH6IJ2wcJP0nNxxjllmJzRUkW6RL1yHOqsLbtX6b3qeu7OUk  
zQTftw43UqPXDHfEjXYqtg+JFS7xPPmaq9lb/6ziuVpX3bdIqEnkNnYMTce3+p7V  
mpUtWTtH2aW+PM2UuJvU94oID9dqFwxEnKsUG/6zFTo=

Is this a checking account or savings?

Just out of curiosity... did you or I ever talk about Washington Mutual that you remember? For some reason this guy thought I told him it was Wamu... and to be honest I dont remember ever saying what bank it was as I never asked.

How is it coming with the username/pass and weblink?



DomainKey-Signature: a=rsa-sha1; q=dns; c=noFWS;  
 s=N1-0105; d=Safe-mail.net;  
 b=h7UYfqU+RB1vNudNvfmJ8DVTAVLstHLDmd9zmSWKWHcxW3noHrGd9LC5NELINT+I  
 cq1Q0bUTn+opLNb3ptjqKXqIUZ51ZX3Xdc+3L6hzexdXC5bE0OqyApAsKqlluhV1  
 Rrk2KjGcz2A0by1WcElyVouegypCJWA/RdSWfVfPY=;  
 Received: from pc ([76.27.37.158]) by Safe-mail.net with https  
 Subject: question  
 Date: Thu, 14 Feb 2008 18:52:36 -0500  
 From: [REDACTED]  
 To: [REDACTED]  
 X-SMType: Regular  
 X-SMRef: N1-m1gWH8RNNr

Message-Id: <N1-m1gWH8RNNr@Safe-mail.net>

MIME-Version: 1.0

Content-Type: text/plain; charset=UTF-8

Content-Transfer-Encoding: quoted-printable

X-SMSignature: nVwbkFiN1V28jUARCgUfLEsCvKCvc31BwXlBdwEeju8hu5olorLPzu2XtJ3zjkrq  
 fVLz2JREAqmJhozHWCObaEYLiFVtcw42wSqNzbQn9VROuDU1jnFTpL3eapVTVo4  
 KQ4TQOIWzDR98i3VW/68scMpJJsSxvRcKkSY9cwp+JQ=

this is a question my contact gave me on his cut... let me know what you can =  
 find out.

"How is this bank setup any different than before when I was given \$0 for =  
 my efforts? If your guys can't figure out how to do a bank wire without getting =  
 caught then your side can get the money any way you guys think is best. Once =  
 you have the cash, then what about getting a cashier=E2=80=99s check using =  
 the cash for the total of my cut? Then that cashier=E2=80=99s check won't be =  
 associated with the original account. The check can be mailed out to an investment =  
 company of my choice under terms I set up. All the bank people have to do is =  
 set up a second bank account under a name I give and get a cashier=E2=80=99s =  
 check using cash under that account. Then you mail the check to a company that =  
 sets up an investment account under the name on the check. As long as the check =  
 clears then I will assume all risks afterwards. The check will have to have =  
 the name of the account holder on it and be payable to the investment company. =  
 I am not going to start funding the account until you tell me exactly how I =  
 am getting my money. I am not accepting cash in the mail. I also need absolute =  
 guarantees."



[illegible]

Excerpt of IRS-CI Internal Memorandum – July 22, 2008; Note: Redactions were done by the government using black squares; Additional redactions done by the defense using white squares with black borders; (Item No. 4 of October 18, 2010 discovery set).

---

**DISCOVERY**

**October 18, 2010**

**ITEM NO. 4**

**IRS-CI - Internal Memorandum Dated July 22, 2008. (13 Pages)**

[REDACTED]

[REDACTED]

[REDACTED]

July 22, 2008

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Note: The facts below were prepared by  
non-agent personnel.

Not Relevant

The following are additional facts secured since the indicted co-conspirator's arrest, leading to the identity and location of Brawner:

- On April 17, 2008, the indicted co-conspirator sent an e-mail to Brawner providing that he/she had received \$9,000 and was expecting an additional \$75,000. Brawner then responded stating that he wanted his cut of \$68,000 and provided detailed instructions to the indicted co-conspirator as how the money should be sent.
- On May 6, 2008, IRS-CI sent the \$68,000 per Brawner's instructions to a Fed Ex/Kinko's retail store located in Palo Alto, California, addressed to Patrick Stout (as instructed by Brawner). On May 7, 2008, at approximately 5:00 am, an unknown white male retrieved the package with the \$68,000. Federal Agents conducting surveillance were unsuccessful in efforts to identify the unknown male or follow the unknown male to his final destination.

Not Relevant

Not Relevant

[illegible]

June 2008 emails between IRS-CI Michael P. Fleischmann and Kinkos employee; Note: Redactions were done by the government using black maker; Additional redactions done by the defense using white squares with black borders; (10/6/11 BATES Nos. 000843, 000844, and 000847 of October 6, 2011 discovery set).



**Fleischmann Michael P**

---

**From:** KE#1 [REDACTED]  
**Sent:** Tuesday, June 10, 2008 10:47 PM  
**To:** Fleischmann Michael P  
**Subject:** RE: Mike Fleischmann email address

---

hey Mike,

I hope it helps you guys out...Good luck let me know if you need anything else.

KE#1

---

**Subject:** RE: Mike Fleischmann email address  
**Date:** Tue, 10 Jun 2008 07:17:38 -0600  
**From:** Michael.Fleischmann@ [REDACTED]  
**To:** [REDACTED]

Thanks KE#1 I got it this time. It was about 5MB, so it must have been that my email box was full...

---

**From:** KE#1 [REDACTED]mailto:[REDACTED]  
**Sent:** Tuesday, June 10, 2008 6:10 AM  
**To:** Fleischmann Michael P  
**Subject:** RE: Mike Fleischmann email address

Mike,

Here's the hand I hope it goes through this time.

KE#1

---

**Subject:** Mike Fleischmann email address  
**Date:** Wed, 14 May 2008 08:56:33 -0600  
**From:** Michael.Fleischmann@ [REDACTED]  
**To:** [REDACTED]

KE#1

Here is my email address. Thanks again.

Mike

Enjoy 5 GB of free, password-protected online storage. [Get Windows Live SkyDrive.](#)

---

Search that pays you back! Introducing Live Search cashback. [Search Now!](#)

---



[illegible]

Excerpt of CI-FDC Briefing – July 11, 2007; Note: Redactions were done by the defense using white squares with black borders; (4/29/11 BATES Nos. 000150-000154 of April 29, 2011 discovery set).

**Medrano Denise L**

---

**From:** Davis Constance M (CI-FDC)

**Sent:** Wednesday, July 11, 2007 6:55 PM

**To:** [REDACTED]


**Cc:** [REDACTED]; [REDACTED] (CI-FDC); [REDACTED] (CI-FDC); [REDACTED] (CI-FDC); Medrano Denise L

**Subject:** Briefing [REDACTED] Automated Submission Filing - BULK Carter

**Attachments:** Briefing [REDACTED].doc

Here it is:

Constance M Davis  
Investigative Analyst





Briefing  
Bulk Carter Tax [REDACTED]  
Constance M. Davis  
Investigative Analyst  
Austin Fraud Detection Center

On May 29, 2007, I received information from Special Agent Denise Medrano, out of the Phoenix Field Office. *Compass Bank called concerned about an account owned by Carter Tax & Accounting that was located in the Phoenix area. Approximately \$128,000 of refunds had been recently deposited into the following account:* [REDACTED]

On May 31, 2007, I developed and ran a query. [REDACTED]  
[REDACTED] Items of interest  
are listed below.

- 78 records with same bank acct number and rtn
- 78 records [REDACTED]
- 70 First Time Filers
- Primary Age range from 32 to 48 years
- Wages range from [REDACTED]
- Withheld Wages Ratio range from [REDACTED]
- Refunds range from \$824 to \$2,488

• [REDACTED]  
• [REDACTED]

Brief June 21, 2007

As of today there are:

- •  
•  
•  
•

- [illegible]

- \* The following RTNs and Bank Accounts are associated with Arizona's Bulk Carter Tax scheme.

- [REDACTED]
- [REDACTED] 75%) are flagged on EFDS as First time Filers, however further research indicated that the taxpayers were deceased in the 1990's

- Primary taxpayer ages range from 17 years to 104 yrs
- Date of Birth range from 1902 to 1989
- 
- 

**July 11, 2007 Scheme Summary and Development**

At the moment, I am relating two Free File Sites to the Phoenix Bulk Carter Tax scheme. The sites are  (Prior Year) and .



- Taxpayers' age range from 23 to 104 yrs.
- 76% of the taxpayers are in their 50s.
- Birth year range from 1901 to 1976

